

**REPORT OF THE AUDIT OF THE
BOONE COUNTY
SHERIFF**

**For The Year Ended
December 31, 2001**



**EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS
www.kyauditor.net**

**144 CAPITOL ANNEX
FRANKFORT, KY 40601
TELEPHONE (502) 564-5841
FACSIMILE (502) 564-2912**

EXECUTIVE SUMMARY
AUDIT EXAMINATION OF THE
BOONE COUNTY SHERIFF

For The Year Ended
December 31, 2001

The Auditor of Public Accounts has completed the Boone County Sheriff's audit for the year ended December 31, 2001. We have issued an unqualified opinion on the financial statement taken as a whole. Based upon the audit work performed, the financial statement is presented fairly in all material respects. Furthermore, we have issued an unqualified opinion on compliance for the audit of the major federal awards programs for the Boone County Sheriff.

Financial Condition:

Excess fees decreased by \$148,169 from the prior calendar year, resulting in excess fees of \$211,717 as of December 31, 2001. Revenues increased by \$3,022,470 from the prior year; however, disbursements increased by \$3,170,639.

Report Comments:

Reference Number 2001-1

- The Sheriff's Office Should Strengthen Controls Over Federal Awards Programs

Reference Number 2001-2

- The Sheriff Had Known Unallowable Costs Related To The Cops In Schools 1999 And 2000 Federal Grants

Deposits:

The Sheriff's deposits were insured and collateralized by bank securities or bonds.

Additional Bank Accounts of Boone County Sheriff-

The Sheriff also maintains the following bank accounts:

- A. Informant Account - This account consists of money obtained through drug forfeitures and seizures. The balance as of December 31, 2001 was \$1,685.
- B. Equipment Account - This account consists of money received from Sheriff's sales and court judgments. This money is to be used for equipment. The balance as of December 31, 2001 was \$2,315.
- C. Federal Shared Proceeds Account - This account consists of money received from the Federal Government for various cases. It is to be used for employee training. The balance as of December 31, 2001 was \$106.
- D. Federal Forfeitures Account - This was a new account set up by the Sheriff in calendar year 2000 and consists of money received from the Federal Government for various cases involving one Sheriff Deputy working for the DEA. It is to be used for equipment and employee training. The balance as of December 31, 2001 was \$58,679.

CONTENTS

PAGE

INDEPENDENT AUDITOR’S REPORT	1
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES.....	3
NOTES TO FINANCIAL STATEMENT	6
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF THE FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	11
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133.....	15
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	21
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	25
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	26



EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky
Honorable Paul E. Patton, Governor
Gordon C. Duke, Secretary
Finance and Administration Cabinet
Dana Mayton, Secretary, Revenue Cabinet
Honorable Gary W. Moore, Boone County Judge/Executive
Honorable Michael A. Helmig, Boone County Sheriff
Members of the Boone County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of receipts, disbursements, and excess fees of the County Sheriff of Boone County, Kentucky, for the year ended December 31, 2001. This financial statement is the responsibility of the County Sheriff. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for County Fee Officials issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the County Sheriff's office prepares the financial statement on a prescribed basis of accounting that demonstrates compliance with the modified cash basis and laws of Kentucky, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the receipts, disbursements, and excess fees of the County Sheriff for the year ended December 31, 2001, in conformity with the modified cash basis of accounting.

In accordance with Government Auditing Standards, we have also issued our report dated August 19, 2003, on our consideration of the County Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.



To the People of Kentucky
Honorable Paul E. Patton, Governor
Gordon C. Duke, Secretary
Finance and Administration Cabinet
Dana Mayton, Secretary, Revenue Cabinet
Honorable Gary W. Moore, County Judge/Executive
Honorable Michael A. Helmig, Boone County Sheriff
Members of the Boone County Fiscal Court

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and is not a required part of the financial statement of the County Sheriff of Boone County, Kentucky. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Based on the results of our audit, we present the schedule of findings and questioned costs, included herein, which discusses the following report comments:

Reference Number 2001-1

- The Sheriff's Office Should Strengthen Controls Over Federal Awards Programs

Reference Number 2001-2

- The Sheriff Had Known Unallowable Costs Related To The Cops In Schools 1999 And 2000 Federal Grants

Respectfully submitted,



Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
August 19, 2003

BOONE COUNTY
MICHAEL A. HELMIG, COUNTY SHERIFF
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES

For The Year Ended December 31, 2001

Receipts

Federal Grants		\$	419,110
Federal Fees For Services:			
Department Of Justice	\$	10,889	
Federal Aviation Administration		<u>113,954</u>	124,843
State Grants			12,260
State - KLEFPF			233,676
State Fees For Services:			
Finance and Administration Cabinet			142,041
Circuit Court Clerk:			
Sheriff Security Service	\$	61,766	
Court Ordered Payments		<u>6,721</u>	68,487
Fiscal Court			2,412,530
County Clerk - Delinquent Taxes			3,652
Commission On Taxes Collected			2,002,955
Fees Collected For Services:			
Auto Inspections	\$	71,130	
Accident and Police Reports		121	
Serving Papers		101,879	
School Resource Officers		<u>33,000</u>	206,130

The accompanying notes are an integral part of this financial statement.

BOONE COUNTY
MICHAEL A. HELMIG, COUNTY SHERIFF
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES
For The Year Ended December 31, 2001
(Continued)

Receipts (Continued)

Other:

Carrying Concealed Deadly Weapon Permits	\$	24,795	
Advertising		9,670	
Insurance Reimbursement		30,285	
Late Tax and Penalty Fees		96,179	
Miscellaneous		<u>6,859</u>	\$ 167,788

Interest Earned 32,969

Borrowed Money:

State Advancement	\$	300,000	
Fiscal Court Advancement		<u>580,000</u>	<u>880,000</u>

Total Receipts \$ 6,706,441

Disbursements

Operating Disbursements:

Personnel Services-

Deputies' Salaries	\$	2,950,639	
KLEFPF Salaries		217,305	
Cops In Schools Salaries		344,616	
Clerks' Salaries		262,620	
Part-time Salaries		<u>132,500</u>	\$ 3,907,680

Employee Benefits-

Employer's Share Social Security	\$	281,581	
Employer's Share Retirement		560,578	
Employer Paid Health Insurance		97,086	
Unemployment Insurance		<u>3,420</u>	942,665

Contracted Services-

Advertising	\$	8,894	
Attorney Retainer		<u>6,300</u>	15,194

The accompanying notes are an integral part of this financial statement.

BOONE COUNTY
MICHAEL A. HELMIG, COUNTY SHERIFF
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES
For The Year Ended December 31, 2001
(Continued)

Disbursements (Continued)

Operating Disbursements: (Continued)

Materials and Supplies-			
Office Materials and Supplies	\$	23,495	
Deputies' Expenses		33,332	
Data Processing		<u>10,693</u>	\$ 67,520
Auto Expense-			
Maintenance and Repairs			266,233
Other Charges-			
Dues	\$	4,355	
Postage		14,497	
Carrying Concealed Deadly Weapon Permits		14,920	
Transporting Prisoners		98,266	
Equipment		177,297	
Bond		1,500	
Miscellaneous		<u>25,775</u>	336,610
Debt Service-			
State Advancement	\$	300,000	
Fiscal Court Advancement		<u>580,000</u>	<u>880,000</u>
Total Disbursements			<u>\$ 6,415,902</u>
Net Receipts			\$ 290,539
Less: Statutory Maximum			<u>78,822</u>
Excess Fees Due County for 2001			\$ 211,717
Payments to County Treasurer - February 4, 2002			<u>211,757</u>
Refund Due Sheriff			<u><u>\$ (40)</u></u>

The accompanying notes are an integral part of this financial statement.

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT

December 31, 2001

Note 1. Summary of Significant Accounting Policies

A. Fund Accounting

A fee official uses a fund to report on the results of operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fee official uses a fund for fees to account for activities for which the government desires periodic determination of the excess of receipts over disbursements to facilitate management control, accountability, and compliance with laws.

B. Basis of Accounting

The financial statement has been prepared on a modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis of accounting, certain receipts and certain expenditures are recognized as a result of accrual at December 31, 2001.

The measurement focus of a fee official is upon excess fees. Remittance of excess fees is due to the County Treasurer in the subsequent year.

C. Cash and Investments

At the direction of the fiscal court, KRS 66.480 authorizes the County Sheriff's office to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county officials and employees have elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system that covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5.0 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 7.17 percent for the first six months of the year and 6.41 percent for the last six months of the year. Hazardous covered employees are required to contribute 8.0 percent of their salary to the plan. The county's contribution rate for hazardous employees was 16.78 percent for the first six months and 16.28 percent for the last six months of the year.

BOONE COUNTY
NOTES TO FINANCIAL STATEMENT
December 31, 2001
(Continued)

Note 2. Employee Retirement System (Continued)

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55.

Historical trend information pertaining to CERS' progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Retirement Systems' annual financial report which is a matter of public record.

Note 3. Deposits

The Sheriff maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the Sheriff and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, and (c) an official record of the depository institution. These requirements were met, and as of December 31, 2001, the Sheriff's deposits were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the Sheriff's agent in the Sheriff's name, or provided surety bond which named the Sheriff as beneficiary/obligee on the bond.

Note 4. Additional Bank Accounts of Boone County Sheriff

The Sheriff also maintains the following bank accounts:

- A. Informant Account - This account consists of money obtained through drug forfeitures and seizures. During 2001, the account had a beginning balance of \$15, receipts of \$1,670, expenditures of \$0, and the balance as of December 31, 2001 was \$1,685.
- B. Equipment Account - This account consists of money received from Sheriff's sales and court judgments. This money is to be used for equipment. During 2001, the account had a beginning balance of \$6,601, receipts of \$26,804 expenditures of \$31,090, and a balance as of December 31, 2001 of \$2,315.
- C. Federal Shared Proceeds Account - This account consists of money received from the Federal Government for various cases. It is to be used for employee training. During 2001, the account had a beginning balance of \$104, receipts of \$2, no expenditures, and a balance as of December 31, 2001 of \$106.
- D. Federal Forfeitures Account - This was a new account set up by the Sheriff in 2000 and consists of money received from the Federal Government for various cases involving one Sheriff Deputy working for the DEA. It is to be used for equipment and employee training. During 2001, the account had a beginning balance of \$5,268, receipts of \$191,962, expenditures of \$138,551, and a balance as of December 31, 2001 of \$58,679.

THIS PAGE LEFT BLANK INTENTIONALLY

REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF THE FINANCIAL STATEMENT
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky
Honorable Paul E. Patton, Governor
Gordon C. Duke, Secretary
Finance and Administration Cabinet
Dana Mayton, Secretary, Revenue Cabinet
Honorable Gary W. Moore, Boone County Judge/Executive
Honorable Michael A. Helmig, Boone County Sheriff
Members of the Boone County Fiscal Court

**Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of The Financial
Statement Performed In Accordance With Government Auditing Standards**

We have audited the statement of receipts, disbursements, and excess fees of the Boone County Sheriff for the year ended December 31, 2001, and have issued our report thereon dated August 19, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Boone County Sheriff's financial statement for the year ended December 31, 2001, is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Boone County Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.



Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of The Financial
Statement Performed In Accordance With Government Auditing Standards
(Continued)

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than the specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
August 19, 2003

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133



EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky

Honorable Paul E. Patton, Governor

Gordon C. Duke, Secretary

Finance and Administration Cabinet

Dana Mayton, Secretary, Revenue Cabinet

Honorable Gary W. Moore, Boone County Judge/Executive

Honorable Michael A. Helmig, Boone County Sheriff

Members of the Boone County Fiscal Court

Report On Compliance With Requirements
Applicable To Each Major Program And On Internal Control
Over Compliance In Accordance With OMB Circular A-133

Compliance

We have audited the compliance of the Boone County Sheriff with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2001. The Boone County Sheriff's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Boone County Sheriff's management. Our responsibility is to express an opinion on the Boone County Sheriff's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Boone County Sheriff's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Boone County Sheriff's compliance with those requirements.

In our opinion, the Boone County Sheriff complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2001.



Report On Compliance With Requirements
Applicable To Each Major Program And On Internal Control
Over Compliance In Accordance With OMB Circular A-133
(Continued)

Compliance (Continued)

However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs.

Reference Number 2001-2

- The Sheriff Had Known Unallowable Costs Related To The Cops In Schools 1999 And 2000 Federal Grants

Internal Control Over Compliance

The management of the Boone County Sheriff's office is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Boone County Sheriff's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the Boone County Sheriff's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying schedule of findings and questioned costs.

Reference Number 2001-1

- The Sheriff's Office Should Strengthen Controls Over Federal Awards Programs

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is a material weakness.

Report On Compliance With Requirements
Applicable To Each Major Program And On Internal Control
Over Compliance In Accordance With OMB Circular A-133
(Continued)

This report is intended solely for the information and use of management, federal awarding agencies, and pass-through entities, and is not intended to be, and should not be, used by anyone other than the specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
August 19, 2003

THIS PAGE LEFT BLANK INTENTIONALLY

FINDINGS AND QUESTIONED COSTS

BOONE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended December 31, 2001

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Boone County Sheriff.
2. No reportable conditions disclosed during the audit of the financial statements are reported in the Independent Auditor's Report.
3. No instances of noncompliance material to the financial statements of the Boone County Sheriff were disclosed during the audit.
4. One reportable condition disclosed during the audit of the major federal awards programs is reported in the Independent Auditor's Report. The condition is reported as a material weakness.
5. The auditor's report on compliance for the audit of the major federal awards programs for Boone County Sheriff expresses an unqualified opinion. However, one instance of immaterial noncompliance disclosed during the audit of the major federal awards programs is reported in the Independent Auditor's Report.
6. Audit findings relative to the major federal awards programs for Boone County Sheriff are reported in Part C of this schedule.
7. The programs tested as major programs were: Cops In Schools 1999 and 2000, CFDA #16.710
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The Boone County Sheriff was determined not to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

REPORTABLE CONDITIONS

None.

NONCOMPLIANCES

None.

PRIOR YEAR FINDINGS FINANCIAL STATEMENT AUDIT

Lacks Adequate Segregation Of Duties

Auditor's Reply:

This comment has been resolved.

BOONE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2001
(Continued)

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS PROGRAM
AUDIT

Reference Number 2001-1

The Sheriff's Office Should Strengthen Controls Over Federal Awards Programs

During the audit, it was noted that the majority of the duties related to the Sheriff's major federal awards programs were assigned to one deputy. Because of this, internal controls over the compliance requirements of the Sheriff's major programs did not appear to be effective in preventing or detecting noncompliance. We believe that this matter is a reportable condition and a material weakness. We recommend that the Sheriff assign responsibilities to additional office personnel in order to strengthen controls over major federal awards programs. Responsibilities should include, but are not limited to the following:

- 1) Reviewing the allowable activities of the program.
- 2) Reviewing documentation for allowable expenditures.
- 3) Reviewing required reports for accuracy and completeness.

County Sheriff Michael A. Helmig's Response:

Due to the limited size of our staff, this is difficult.

Reference Number 2001-2

The Sheriff Had Known Unallowable Costs Related To The Cops In Schools 1999 And 2000 Federal Grants

During our test of payroll, the auditor discovered known unallowable costs of \$3,188 for overtime and \$11,768 for KLEFPF salary. According to the monitoring standards and guidelines of the grant agreements, overtime is an unallowable cost. KLEFPF salaries are already reimbursed by the state and should not be included as an allowable cost. Although unallowable costs exist, allowable costs include deputy's gross salaries, approved benefits and cost-of-living increases per the grants standards and guidelines. Approved benefits include, but are not limited to, department costs for FICA/social security, health insurance, life insurance, vacation, and sick leave not included in the base salary, retirement benefit contribution, worker's compensation, and unemployment insurance. The Sheriff requested reimbursement for only the costs associated with the deputy's gross salary along with KLEFPF and overtime. In other words, the Sheriff could have requested more in federal matching to cover the allowable costs for this program. We recommend that the Sheriff include only those costs that are consistent with the allowable costs set forth by the standards and guidelines of the grant agreement.

County Sheriff Michael A. Helmig's Response:

The original grant was written with part-time employees being utilized. Prior to the grant award the programmatic structure changed from part-time to full-time, thus allowing approved benefits to be reimbursed.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

BOONE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, 2001

Federal Grantor

Program Title

Grant Name (CFDA #)

Expenditures

Cash Programs:

U.S. Department of Justice

Cops In Schools 1999 Grant (CFDA #16.710)	\$ 92,069
Cops In Schools 2000 Grant (CFDA #16.710)	186,682
Universal Hiring Grant (CFDA #16.710)	50,963
Cops More Grant (CFDA #16.710)	31,003
Bulletproof Vest Partnership Program Grant (CFDA #16.607)	2,057
	<hr/>
Total Cash Expenditures of Federal Awards	<u><u>\$ 362,774</u></u>

BOONE COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, 2001

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Boone County Sheriff and is presented on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the accompanying Statement of Receipts, Disbursements, and Excess Fees.

